

श्री राघवजी: सभापति जी, बड़ोदा का जो राजमार्ग था, एक्सप्रेस हाइवे है यह हिंदुस्तान का सबसे पहला एक्सप्रेस हाइवे बनने जा रहा था। दुर्भाग्य से जो 1994 में पूरा होना चाहिए था वह 1996 तक भी पूरा नहीं हुआ है। आगे कब समाप्त होगा इसका पता नहीं है।

श्री सभापति : आप सवाल कर लीजिए। सवाल कीजिए।

श्री राघवजी: वहीं मैं पूछ रहा हूँ। माननीय मंत्री जी ने यह कहा कि प्राइस इस्कलेट हुए हैं। तो मैं माननीय मंत्री जी से यह जानना चाहता हूँ कि क्या यह इलेक्शन, जो ठेकेदार के विलंब के कारण है तो क्या ठेकेदार से उसकी वसूली नहीं होनी चाहिए? अगर होनी चाहिए तो इसके संबंध में क्या कार्यवाही करने का विचार शासन कर रहा है?

श्री राजनाथ सिंह: श्रीमन्, पहले तो मैं माननीय सदस्य को यह आश्वस्त करना चाहता हूँ कि सन् 2002 तक अहमदाबाद-बड़ोदा, इस मार्ग का काम निश्चित रूप से पूरा हो जाएगा क्योंकि, अब नेशनल हाइवे अथॉरिटी आफ इंडिया के हाथ में यह काम आ चुका है। दूसरा, मान्यवर, मैं पहले ही जानकारी दे चुका हूँ इस सदन को कि जो आडिट आब्जेक्शंस सी.ए.जी. के द्वारा रेज किया गया है उसको हम लोग इग्जामिन करा रहे हैं। करेस्पॉन्डेंस भी सी.ए.जी. के साथ चल रहा है और सारी स्थिति स्पष्ट होने के बाद जो आवश्यक होगा वह कार्यवाही हम करेंगे।

NPA's of Nationalised Banks

*125. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the NPA's (Non-Performing Assets) of the Nationalised Banks in the country are increasing day by day;

(b) if so, the details of Non-Performing Assets of each of the Nationalised Bank as on November 30, 1999;

(c) whether the profitability of several public sector banks may come under strain in the next few years due to NPA's; and

(d) if so, the corrective steps Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) and (b) The gross and net non-performing assets of Nationalised banks have gone up in absolute terms to Rs. 33,069.43 crores (16.02%) and Rs. 15,794.16 crores (8.35%) as on 31.3.99 as compared to

Rs. 30,130.38 crores (16.88%) and Rs. 14,497.50 crores (8.91%) as on 31.3.98 respectively. However, gross and net NPAs have come down in percentage terms as indicated in the figures in the bracket. However, in the case of State Bank Group, the gross & net NPAs have gone up both in absolute as well as percentage term from Rs. 15522.26 crore (14.57) and Rs. 6734.68 crore (6.89) as on 31.3.98 to Rs. 18641.07 crore (15.67) and Rs. 8417.33 crore (7.74) as on 31.3.99 respectively. The data on NPAs is prepared as on 31st March of every year, i.e. the date on which the accounts of the banks for the year are finalised. As such, a statement indicating the non-performing assets of nationalised banks including SBI group banks as on 31.3.99 is given in Statements I and II respectively (*See below*).

(c) The increase in NPAs affects the profitability of the banks, as the NPAs do not generate income and the banks are required to provide against possible loan losses from their operating profits. Further, due to tightening of prudential norms on income recognition, asset classification and provisioning requirements, in keeping with international standards, there will be pressure on profitability of banks on account of NPAs. However, during 1998-99, all public sector banks, excepting one, made operating profits.

(d) On the advice of RBI/Government of India, the banks have taken the following steps not only to check the incidence of fresh NPAs but also to ensure the recovery of existing NPAs of Public Sector Banks.

—Reduction of NPAs through compromise/write offs through negotiated settlements to ensure maximum recovery at minimum expenses on the basis of a transparent and well laid out policy. Some banks have set up independent Settlement Advisory Committees headed by a retired Judge of the High Court to scrutinise and recommend compromise proposals.

—Banks have set up Settlement Advisory Committee for NPAs in Small Scale Sector including Trading and Personal Segment and Agricultural Sector.

—Recovery Cells have been set up at Head Offices. Targets have been fixed for various levels and recovery performance is to be monitored closely at all levels.

—Boards of Directors review top 300 NPAs of banks with special reference to the system prevailing in the banks to fix staff accountability.

—In addition to above the Governemnt of India/RBI also initiated the following steps:—

—The Debt Recovery Tribunals mechanism has been set up.

—RBI has put in place a scheme to collect details about borrowers of banks and FIs with outstanding aggregating Re. 1 crore and above which are classified as "doubtful" or "loss" and accounts where suits are filed as on 31st March and 30th September each year and disseminate this informatin (on floppy diskettes) to the banks and FIs for their use while considering, on merits, the request for new or additional credit limits by defaulting borrowing units and also by the directors/proprietors/partners named in the list either in their own name or in the name of other units with which they are associated.

RBI also publishes a list of borrowers (with outstanding aggregating Rs. 1 crore and above) against whom suits have been filed by banks and FIs for recovery of their funds, as on 31st March every year. Pursuant to the instructions of the Central Vigilance Commission, RBI has framed a scheme in February 1999, for collection of information on wilful defaults of Rs. 25 lakh and above and dissemination to the reporting banks and FIs, under which the banks and general Financial Institutions viz., IDBI, IFCI and ICICI will be required to submit RBI the details of the wilful defaulters.

Statement-I

Gross NPAs of PSBs

Name of Bank		IN	1998-99
		Gross% NPA	of NPA! to total advance:
State Bank of India State	Jaipur	14064.75	155<
Bank of Bikaner &		675.48	16.11

Name of Bank	iooft.ao	
	Orou%	of NPAs
	NPA	to total •dv»«ce*
State Bank of Hyderabad	922.56	1194
State Bank of Indore	327.20	14.68
State Bank of Mysore	589.44	16.96
State Bank of Patiala	717.75	13.98
State Bank of {Saurashtra	458.27	15.43
State Bank of Travancore	885.62	18.46
Total for State Bank group	18641.07	15.67
Allahabad Bank	1520.11	20.09
Andhra Bank	450.21	9.42
Bank of Baroda	3685.56	16.03
Bank of India	3033.56	11.87
Bank of Maharashtra	715.76	15.97
Canara Bank	4072.86	18.32
Central Bank of India	2436.23	17.41
Corporation Bank	367.99	5.66
Dena Bank	857.90	12.37
Indian Bank	3708.84	38.70
Indian Overseas Bank	1441.00	13.32
Oriental Bank of Commerce	498.03	6.30
Punjab & Sind Bank	1098.35	23.01
Punjab National Bank	2832.20	14.12
Syndicate Bank	1074.28	10.72
UCO Bank	1716.18	22.55
Union Bank of India	1462.42	12.41
United Bank of India	1548.58	32.38
Vijaya Bank	549.37	13.65
Total for Natl. Banks	33069.43	16.02
Total for PSBs	51710.50	15.89

Statement-II
Net NPAs of PSBs

Name of Bank	1998-99	
	Net NPAs	%of total Net Adv.
State Bank of India	5905.96	7.18
State Bank of Bikaner & Jaipur	410.27	10.45
State Bank of Hyderabad	468.23	8.78
State Bank of Indore	213.48	10.10
State Bank of Mysore	340.56	10.55
Stat* Bank of Patiala	396.35	8.23
Stare Bank of Saurashtra	208.88	7.69
State Bank of Travancore	473.60	10.80
Total for State Bank group	8417.33	7.74
Allahabad Bank	866.80	12.54
Andhra Bank	192.57	4.26
Bank of Baroda	1610.62	7.70
Bank of India	1772.34	7.29
Bank of Maharashtra	359.35	8.72
Canara Bank	1384.08	7.09
Central Bank of India	1253.66	9.79
Corporation Bank	123.84	1.98
Dena Bank	504.37	7.66
Indian Bank	1624.54	21.67
Indian Overseas Bank	738.00	7.30
Oriental Bank of Commerce	348.05	4.50
Punjab & Sind Bank	430.57	10.48
Punjab National Bank	1694.62	8.96
Syndicate Bank	36 [^] .75	3.93
UCO Bank	715.63	10.83
Union Bank of India	984.51	8.70
United Bank of India	573.44	15.06
Vijaya Banks	250.42	6.72
Total for Natl. Banks	15794.16	8.35
Total for PSBs	24211.49	8.13

SHRI KRISHNA KUMAR BIRLA: Mr. Chairman, Sir, at the very outset, I would like to compliment the Finance Minister for giving a very exhaustive reply to my question. The Minister has expressed satisfaction that the NPA, in terms of percentage, has come down from 16.88 per cent to 16.02 per cent. But in absolute terms, the amount has gone up by Rs. 2,983 crores. But, instead of any reduction taking place, the amount has actually gone up by almost Rs. 3,000 crores. If this pace continues, one does not know when the amount will be reduced.

To reduce the NPAs, several policy measures may have to be adopted. All such policy measures should be followed by effective and careful loan screenings. Good and genuine cases should not languish for want of funds; likewise, doubtful cases need a close scrutiny. There lies the art of the banking system.

The growing NPA is certainly not a very healthy sign in the banking sector as it finally affects the profitability of the banks. Higher NPAs also lead to the banks charging more interest rates. This adds to the cost. Hence efforts should be made to check the various pulls and pressures by VIPs as well as compromises, in many a case, on the credit-worthiness of the borrowers. My first question is. (a) How is it that in spite of the new guidelines provided by the Reserve Bank of India for the guidance of the banking sector so that there is no fresh addition to the NPAs, rather, a reduction takes place, the amount of NPA is increasing? (b) Against the total amount of NPAs, how much is the provision made by the banks in the public sector as a reserve, for doubtful debts?

SHRI BALASAHEB VIKHE PATIL: I Would reply to the first question. There are some classifications, as far as the provisions are concerned, when an advance is considered as doubtful; up to one year 20 per cent; up to three years, 30 per cent; more than three years, it will be 50 per cent. These are the provisions made in the balance-sheet. And a reduction in their profit, naturally, is there. Secondly, settlement and other things are before various committees. Naturally, they watch the entire NPAs. The emphasis is to reduce the NPAs so that the health of the banking system as well as the borrowing may be in the right direction.

SHRI KRISHNA KUMAR BIRLA: Sir, my second question is, what is the amount of NPAs in the public sector and what steps do the Government propose to take so that the NPA in the public sector is levelled up?

SHRI BALASAHEB VIKHE PATIL: Sir, the gross NPA in the public sector banks is already mentioned in the statement. It is about Rs. 15,794 crores. It is there in the answer already.

SHRI C. RAMACHANDRAIAH: Sir, I would like to know whether the Government is contemplating to set up an Asset Reconstruction Company basing on the recommendation of the Verma Commission to reduce the NPAs. Because of the liberalisation, most of the companies in India are likely to become sick during this transformation stage because our products cannot compete with the products that are being imported into the country. So, there is every possibility of an increase in the NPAs of banks. Therefore, is the Government considering the creation of any machinery like an Asset Reconstruction Company, basing on the recommendation of the Verma Commission?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Sir, as far as the Verma Committee's recommendations are concerned, that was a committee appointed by the Reserve Bank of India. It has submitted its report to the Reserve Bank of India. The report is under the consideration of the Reserve Bank of India. When the Reserve Bank of India considers the report and makes recommendations to the Government, the Government will look at those recommendations.

On the second aspect of the question that because of liberalisation, more and more banks, specially the nationalised banks, are going to fall sick, it is a contention with which I do agree. (*Interruption*).

SHRI C. RAMACHANDRAIAH: I did not say that banks would become sick. I said that the NPAs would go up.

SHRI YASHWANT SINHA: Even that part, I do not find justified, on the basis of figures. We have figures to suggest that the NPAs of private sector banks have been going up more than the NPAs of the nationalised banks. So, the nationalised banks have nothing to fear actually from liberalisation. There are a number of other factors which have contributed to the growth of NPAs.

As for the Member's question regarding the setting up of an Asset . Reconstruction Wing or Corporation, I would only like to say that this is one of the many recommendations which will be an input for the Government to take a view in the matter.

[7 December, 1999]

RAJYA SABHA

SHRI GURUDAS DAS GUPTA: Sir, I would like to seek a clarification from the hon. Minister with regard to the point that a number of Tribunals were set up to ensure speedy realisation of the money and in a number of cases, it was found that those courts were not working properly. Will the hon. Minister assure the House that these Tribunals will be asked to do their work expeditiously so that repayment can be made?

SHRI YASHWANT SINHA: I have absolutely no hesitation in answering this question' in the affirmative. The Government is concerned with the NPA level of the banks. The DRTs have been set up to reduce the level of NPAs. We are going to strengthen the existing DRTs so that they can perform their duties in a much better fashion. I would like to take the House into confidence and say, Sir, that the amendment of the DRT Act is under the active consideration of the Government. We want to set up more DRTs so that we can attack the problem of NPAs vigorously in the years and months to come.

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO STARRED QUESTIONS

Development of Civil Aviation Facilities in Northern Parts of the Country

*126. SHRI RAJNATH SINGH 'SURYA': Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that Southern part of India was better developed than the North regarding airports and connectivity;
- (b) if so, the reasons therefor; and
- (c) the action proposed to be taken to bring Northern part at even Keel in this regard?